

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7715**

**BILL NUMBER:** HB 1477

**NOTE PREPARED:** Apr 11, 2007

**BILL AMENDED:**

**SUBJECT:** Self-service Cigarette Displays.

**FIRST AUTHOR:** Rep. Mays

**FIRST SPONSOR:** Sen. Simpson

**BILL STATUS:** As Passed Senate

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill prohibits a retail establishment from selling cigarettes through a self-service display.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** This bill prohibits a retail establishment from selling cigarettes through self-service displays, unless the display has the primary purpose of selling cigarettes, and the display is located in a retail establishment where persons under the age of 18 are prohibited from entering.

This bill could cause an increase in costs for state and local law enforcement agencies who would be responsible for enforcing this prohibition. It is estimated that law enforcement agencies could enforce these provisions through the use of existing staff and resources.

**Explanation of State Revenues:** To the extent that the prohibition in this bill affects cigarette sales, Cigarette Tax and Sales Tax collections could be impact. The prohibition is not expected to significantly impact the sale of cigarettes.

*Penalty Provision:* The maximum judgment for a Class C infraction is \$500. The bill requires any collections from judgments under this bill to be deposited in the Richard D. Doyle Youth Tobacco Education and Enforcement Fund. However, any additional revenue is likely to be small.

*Background:* Cigarette and OTP Tax is deposited in the: Cigarette Tax Fund (6.6%), Mental Health Center Fund (0.94%), state General Fund (83.97%), and the Pension Relief Fund (8.49%).

Sales Tax revenue is deposited in the Property Tax Replacement Fund (50%), the state General Fund (49.192%), the Public Mass Transportation Fund (0.635%), the Commuter Rail Service Fund (0.14%), and the Industrial Rail Service Fund (0.033%).

**Explanation of Local Expenditures:** This bill could cause an increase in costs for state and local law enforcement agencies who would be responsible for enforcing this prohibition. It is estimated that law enforcement agencies could enforce these provisions through the use of existing staff and resources.

**Explanation of Local Revenues:** *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

**State Agencies Affected:** State law enforcement agencies.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:**

**Fiscal Analyst:** Adam Brown, 317-232-9854.